VZCZCXRO1279 RR RUEHRG DE RUEHBR #0129/01 0251453 ZNY CCCCC ZZH R 251453Z JAN 08 FM AMEMBASSY BRASILIA TO RUEHC/SECSTATE WASHDC 0919 INFO RUEHAC/AMEMBASSY ASUNCION 6543 RUEHBU/AMEMBASSY BUENOS AIRES 5267 RUEHMN/AMEMBASSY MONTEVIDEO 7201 RUEHMO/AMEMBASSY MOSCOW 0349 RUEHFR/AMEMBASSY PARIS 0349 RUEHSG/AMEMBASSY SANTIAGO 0124 RUEHRG/AMCONSUL RECIFE 7635 RUEHRI/AMCONSUL RIO DE JANEIRO 5723 RUEHSO/AMCONSUL SAO PAULO 1510 RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 000129

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DEPARTMENT FOR PM, WHA, AND EEB

E.O. 12958: DECL: 01/24/2018 TAGS: <u>PREL MARR EAIR PGOV BR</u>

SUBJECT: BRAZILIAN DEFENSE MINISTER ON DCA, TRIP TO FRANCE AND RUSSIA, CIVIL AVIATION

REF: A. STATE 3557

_B. BRASILIA 99

_C. STATE 3163

Classified By: AMBASSADOR CLIFFORD SOBEL, REASON 1.4 (B) AND (D)

11. (C) Summary. Brazilian Defense Minister Nelson Jobim told the Ambassador January 17 that he would like to sign a Defense Cooperation Agreement (DCA, ref A) when he visits Washington in March, but that he faces stiff opposition in the Ministry of External Relations (MRE or Itamaraty). He briefed the Ambassador on his upcoming trip to France and Russia, and on his continuing work regarding civil aviation matters. The internal GOB discussion on the merits of a DCA will likely center on the message the GOB thinks it will send regarding the nature of Brazil's relationship with the United States. End summary.

Defense Cooperation Agreement: The Battle is Joined

12. (C) In a private breakfast on January 17, the Ambassador told Jobim that his initial approach on a DCA to MRE Under Secretary for Political Affairs Everton Vargas had not been

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well received, and that Vargas had specifically mentioned Secretary General (Vice Minister) Samuel Guimaraes when

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asking for time to work the issue internally (ref B). Jobim responded that Guimaraes posed a serious problem, not only on the DCA but on a variety of issues. Jobim said that Guimaraes "hates the United States" and is actively looking to create problems in the relationship. Jobim said that he has had to beat back more than one outlandish proposal by Guimaraes calculated to upset relations with the U.S. and other industrialized countries.

¶3. (C) Jobim said that he would like to sign the DCA when he travels to Washington in March. Guimaraes has told him that cannot happen and is working hard to prevent the DCA from being concluded. He argued that, as Jobim's predecessor went to the United States in 2007, protocol demands a return visit by the U.S. Defense Secretary. (Comment: Strictly speaking, this is not true, as the meeting between the SecDef and Jobim's predecessor was not part of an official counterpart

visit. End comment.) He told Jobim that his trip would "mean nothing" compared with the symbolism of a visit by the SecDef to Brazil. Jobim said he pushed back, telling Guimaraes that "Itamaraty is the process," not the substance of engagement on his issues. But he told the Ambassador that he does not want to "win the battle and lose the war" and expend too much political capital on the DCA, so will have to proceed carefully. In particular, he said, if Guimaraes and FM Amorim join forces against a DCA, that could be a serious problem.

Submarines in France, Helos in Russia

14. (C) Jobim told the Ambassador that the primary purpose of his upcoming trip to France is to discuss design issues for a nuclear-powered submarine. He also said that he will look at France's Rafale airplane. In Russia Jobim's primary purpose is to ensure servicing for Brazil's Russian helicopters. He noted that Russia wants to open a jeep facility in Porto Alegre, and that he will travel to Russia in an Embraer plane in the hope of making sales there.

Civil Aviation: Engaged on Latest Problems

- 15. (SBU) Jobim told the Ambassador that he believes he has found options for avoiding the proposed draconian increase in landing fees at Sao Paulo's Guarulhos airport (ref C), especially as they can have another apron ready quickly. He asked for another few weeks to work the issue. Discussing Brazil's airport operator Infraero, he said that the current management problems are so big that more time will be needed before he can consider opening it up to foreign investors.
- 16. (C) Comment: Jobim's candid comments on Guimaraes confirm similar messages from U/S Vargas and Long-Term Planning

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Minister Roberto Unger (ref B) regarding the difficult internal battle in the GOB that will surround the proposal for a DCA with the United States. As he has since the beginning of his tenure, Jobim continues to challenge the historic supremacy of Itamaraty in all areas of foreign policy. President Lula's direction to Jobim to postpone his visit to Washington (initially planned for January) until he had met with his Latin American counterparts was almost certainly provided on the basis of input from Itamaraty and presidential foreign policy advisor Marco Aurelio Garcia. In the same way, the merits of a DCA are likely to be considered by the GOB at least in part in light of the message it will convey regarding the nature of Brazil's relationship with the United States. Once again, President Lula may have to play the deciding role between an unusually activist Defense Minister interested in developing closer ties with the United States and an MRE that is firmly committed to maintaining control over all aspects of foreign policy and to keeping a measure of distance between Brazil and the United States.

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